

OFFICIAL FILE  
ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS

ORIGINAL

ILLINOIS COMMERCE COMMISSION

2006 JUN 26 A 9 19

CHIEF CLERK OF COMMISSION

NORTHERN ILLINOS GAS COMPANY )  
d/b/a NICOR GAS COMPANY AND )  
NORTH SHORE GAS COMPANY )  
Joint Petition for Consent to and Approval )  
of a Firm Transportation Agreement )  
Pursuant to Section 7-102, 9-102 and 9-201 )  
of the Illinois Public Utilities Act and )  
related relief. )

Docket No.

06-0466

### JOINT PETITION

To the Illinois Commerce Commission:

Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") and North Shore Gas Company ("North Shore"), hereinafter referred to collectively as "Petitioners", respectfully request that the Commission enter an Order consenting to and approving the execution and performance of a Firm Transportation Agreement ("2006 FT Agreement") by and between Nicor Gas and North Shore. A copy of the 2006 FT Agreement is attached hereto and made a part hereof. The filing of the attached 2006 FT Agreement is additionally intended to comply with the Petitioners' obligation under Section 9-102 of the Illinois Public Utilities Act ("the Act") to file with the Commission copies of certain agreements between public utilities. The Petitioners further request that the Commission enter its order in this proceeding without an evidentiary hearing. In support of this Joint Petition, Petitioners state as follows:

## BACKGROUND

1. Nicor Gas is an Illinois corporation with its general office at 1844 Ferry Road, Naperville, DuPage County, Illinois 60563-9600. It is engaged in the business of distributing and selling gas to more than 2 million customers in the northern part of Illinois, and is a public utility subject to the jurisdiction of this Commission pursuant to the Act.

2. North Shore is an Illinois corporation with its general office at 130 East Randolph Drive, Chicago, Cook County, Illinois 60601. It is engaged principally in the business of distributing and selling gas to approximately 150,000 customers, in Cook and Lake Counties, Illinois and is a public utility subject to the jurisdiction of this Commission pursuant to the Act.

3. Nicor Gas and North Shore entered into a Firm Transportation Agreement, executed as of September 1, 2003 ("2003 FT Agreement"), under which Nicor Gas transported gas for North Shore from a point of interconnection with ANR Pipeline Company's ("ANR") facilities near Hampshire, Illinois to a point of interconnection with North Shore's facilities known as Busse Road. The term of the 2003 FT Agreement, including an amendment, was from November 1, 2003 through March 31, 2006. Service during the term of the 2003 FT Agreement was available only from November 1 to March 31, during each contract year. The 2003 FT Agreement has expired.

4. The Commission approved the 2003 FT Agreement without modification on January 20, 2003 in Docket No. 02-0779 and approved an amendment extending the term on November 12, 2003 in Docket No. 03-0551.

## PETITION

1. Subject to the Commission's authorization, Nicor Gas and North Shore have entered into a new Firm Transportation Agreement ("2006 FT Agreement"), executed as of September 1, 2006.

2. The proposed 2006 FT Agreement is identical in all material aspects to the 2003 FT Agreement, with the following exceptions:

- A) The term of the proposed 2006 FT Agreement would be September 1, 2006 to March 31, 2009;
- B) Nicor Gas would deliver a maximum daily firm contract quantity amount of 70,000 MMBtu on any day; and
- C) Nicor Gas would receive a demand charge of \$291,730 for each five-month period (November 1 – March 31) during which service is available during the term of the 2006 FT Agreement and \$0.011 per MMBtu for all gas transported during the billing period.

3. Total revenue under the 2006 FT Agreement would be sufficient for Nicor Gas to recover its costs for providing the service and make a contribution to fixed cost recovery. As with revenues received from the previous 2003 FT Agreement for this service, revenues to Nicor Gas will be recorded as above-the-line utility revenue.

4. Performance of Nicor Gas' obligations under the 2006 FT Agreement would not adversely affect service or charges under any of Nicor Gas' filed rates, and Nicor Gas' transportation obligation under the 2006 FT Agreement is subject to maximum daily limits representing 1.9 percent of Nicor Gas' 5 year historical peak-day sendout.

5. North Shore would benefit from retaining an additional market-area supply source at economic rates which would increase system reliability. The firm transportation service provided by Nicor Gas to North Shore is integral to North Shore's purchase of certain existing storage services from ANR. Absent the service from Nicor Gas, North Shore would need to purchase a more costly service from Natural Gas Pipeline Company of America in order to receive the ANR service. As with charges paid under the previous 2003 FT Agreement for this service, North Shore will recover these costs through its gas supply charge (Rider 2 of its Schedule of Rates for Gas Service). Accordingly, the 2006 FT Agreement is in the public interest and the public would be inconvenienced thereby.

6. Petitioners believe that the proposed 2006 FT Agreement for firm transportation service is just and reasonable and would benefit North Shore and its customers, as well as Nicor Gas and its customers. Further, Petitioners believe that the proposed 2006 FT Agreement is in the public interest and that the public would be inconvenienced thereby. Because North Shore is a Petitioner herein, Petitioners believe that no publication or further notice should be required. The filing of the 2006 FT Agreement is intended, *inter alia*, to comply with the Petitioners' obligations under Section 9-102 of the Act.

7. Petitioners believe that this Joint Petition contains all the pertinent information needed to enable the Commission to enter an order approving the 2006 FT Agreement. Accordingly, Petitioners request that the Commission enter an order approving the 2006 FT Agreement without an evidentiary hearing.

8. In view of the forgoing, good cause exists for granting the Petitioners authority to place into effect the proposed 2006 FT Agreement, a copy of which is attached hereto and made a part hereof, pursuant to the provisions of Section 7-102 of the Act.

**WHEREFORE**, Petitioners respectfully request that the Illinois Commerce Commission enter an order, without an evidentiary hearing (1) finding that the proposed 2006 FT Agreement attached hereto is just and reasonable and consenting to and approving the execution and performance of the 2006 FT Agreement, effective as of the date of the Commission's order, pursuant to the provisions of Section 7-102 of the Illinois Public Utilities Act; (2) authorizing Petitioners to take any and all actions not contrary to the Act and the Commission's rules necessary to perform the 2006 FT Agreement; and (3) granting such further and additional relief as may be necessary, just and reasonable in connection therewith.

NORTHERN ILLINOIS GAS COMPANY  
d/b/a Nicor Gas Company

By: 

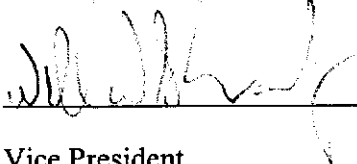
Vice President of Supply Operations

ATTORNEY FOR NORTHERN ILLINOIS  
GAS COMPANY:

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Respectfully submitted,

NORTH SHORE GAS COMPANY 

  
Vice President


ATTORNEYS FOR NORTH  
SHORE GAS COMPANY:

Gerard T. Fox  
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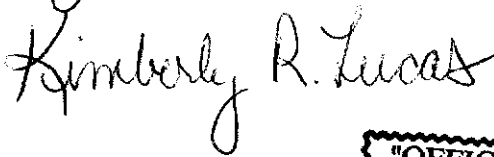
VERIFICATION

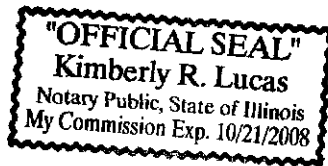
STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK        )

Willard S. Evans, Jr., being first duly sworn upon oath, states that he is an Vice President of North Shore Gas Company; that he has read the foregoing Petition by him subscribed and knows the contents thereof; and that the statements therein contained with respect to North Shore Gas Company are true to the best of his knowledge and belief.

  
Willard S. Evans, Jr.

Subscribed and sworn to  
before me this 19<sup>th</sup> day  
of June, 2006.





VERIFICATION

STATE OF ILLINOIS     )  
                                  )  
COUNTY OF DUPAGE    )

Gary R. Bartlett, being first duly sworn upon oath, states that he is a Vice President of Supply Operations at Northern Illinois Gas Company, d/b/a Nicor Gas Company; that he has read the foregoing Petition by him subscribed and knows the contents thereof; and that the statements therein contained with respect to Nicor Gas Company are true to the best of his knowledge and belief.

*Gary R. Bartlett*

Gary R. Bartlett

Subscribed and sworn to  
before me this 22 day  
of June, 2006.

*Patricia H. Plotke*

